

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** POLITICO Pro Energy  
**Sent:** Fri 12/22/2017 10:51:29 AM  
**Subject:** Morning Energy, presented by the Renewable Fuels Association: Disaster relief pushed even as government stays open — Cramer weighs E&C position in Senate bid calculus — Climate pages removed from Park Service site

By Anthony Adragna | 12/22/2017 05:49 AM EDT

*With help from Eric Wolff*

**PROGRAMMING NOTE:** Morning Energy will not publish from Dec. 25-Jan. 1. Our next Morning Energy newsletter will publish on Tuesday, Jan. 2. Please continue to follow Pro Energy issues here.

**WAIT UNTIL NEXT YEAR:** The millions of Puerto Ricans reeling from months without electricity, Californians battling devastating wildfires and communities in Texas, Florida and the Caribbean rebuilding from a string of crippling hurricanes must wait until next year for disaster relief after Congress left town without sending funds their way. "Disaster is a lot more complicated, a lot more moving parts, a lot more varied interests, competition between various jurisdictions over who gets what," Senate Majority Whip John Cornyn (R-Texas) said on Thursday. It now faces the prospect of languishing for weeks, Pro Budget & Appropriations Brief's Sarah Ferris reports.

**A disaster assistance bill cleared the House** on a 251-169 vote that would have doled out \$81 billion to communities around the country. But it faced resistance in the Senate where Minority Leader Chuck Schumer demanded more help for Puerto Rico's cash-strapped Medicaid program and fixes to the GOP's tax bill, H.R. 1 (115), to prevent a disproportionate hike in taxes on the island.

**The government stays open:** Congress did okay funding H.R. 1370 (115) for federal agencies through Jan. 19 on a 231-188 House vote and a 66-32 tally in the Senate, POLITICO's Rachael Bade, John Bresnahan and Seung Min Kim report.

**\*\* A message from the Renewable Fuels Association:** This week marks the tenth anniversary of the Renewable Fuel Standard, helping to provide consumer choice at the pump. The RFS has been an unmitigated success, helping to clean the air, lower gasoline prices, provide greater energy security and boost local economies. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. \*\*

**Looking to 2018:** Twelve attorneys general, led by New York's Eric Schneiderman, sent a letter to congressional leaders opposing "deep and damaging proposed cuts" to EPA's fiscal 2018 budget and urging the House not to include environmental riders as they consider spending legislation.

**NOMINATIONS CLEARED:** Before heading out for holiday cheer, the Senate confirmed three energy-related nominations by unanimous consent: Linda Capuano to run the Energy

Information Administration; Timothy Petty to be assistant Interior secretary for water and science; and John Vonglis to be chief financial officer of the Energy Department. The chamber also cleared four nominations to the Tennessee Valley Authority.

**Try again:** It appears the White House will have to renominate Susan Combs to be Interior's assistant secretary of policy management and budget, and Ryan Nelson to be agency solicitor. Their forced do-overs come in addition to Kathleen Hartnett White, who as expected must be renominated to run the White House Council on Environmental Quality.

**Bills, bills, bills:** Senators passed legislation S. 1447 (115), reauthorizing the Diesel Emissions Reduction Act, which helps retrofit diesel-powered equipment; S. 2030 (115) delaying the compliance date for efficiency standards for ceiling light kits into 2020; and H.R. 518 (115) exempting certain devices from energy conservation standards for external power supplies.

**IT'S BEGINNING TO FEEL A LOT LIKE CHRISTMAS!** I'm your host Anthony Adragna, and a sincere thank you for spending so many of your mornings this year with me delving through the ins and outs of the energy world! Ogilvy's Tony Bullock identified Wisconsin Rep. Jim Sensenbrenner as the second longest-serving House member. And for your last trivia question of 2017: What nearby world leader's birthday is Christmas day? Send your tips, energy gossip and comments to [aadragna@politico.com](mailto:aadragna@politico.com), or follow us on Twitter [@AnthonyAdragna](https://twitter.com/AnthonyAdragna), [@Morning\\_Energy](https://twitter.com/Morning_Energy), and [@POLITICOPro](https://twitter.com/POLITICOPro).

**HOLIDAY PRESENTS FROM ME:** You better watch out, you better not cry, ME's handing out gifts and we hope these jokes fly.

— For Lisa Murkowski, a red suit, sleigh and eight reindeer. She's gotten so much in the past two years, she should be the one delivering the gifts.

— For Rick Perry, funding to have the national labs calculate the cost of freedom

— For Scott Pruitt, 100 lawyers to help him process that ever-expanding backlog of FOIA requests.

— For Ryan Zinke, a gift certificate to the Rock Creek Park Horse Center so he never has to miss riding with VIPs (or VPs).

— For Neil Chatterjee, a signed photo of James Cromwell.

— For Jerry Brown, a lightsaber and a badge that reads, "Resistance Leader."

— For Chuck Grassley, a statue at the Corn Palace in South Dakota in recognition of his undying devotion to biofuels industry.

— For Rob Bishop, a gift for his 40th wedding anniversary coming over the holiday break (this one's real. Congratulations!).

**SEEKING A PROMOTION?** North Dakota Rep. Kevin Cramer tells ME the departures of three senior Energy and Commerce members — Joe Barton, Tim Murphy and Marsha Blackburn — may offer him a chance to move up on the panel and will factor into his decision on whether to challenge Sen. Heidi Heitkamp. "It all becomes part of a formula to make a difficult decision more difficult," he said. "It's a factor that I'm considering for sure. We only have one member from an entire state. Influence matters all the more ... Whereas a new senator is a new senator even if you used to be a congressman. That is definitely part of the calculation."

**REMOVED:** More than 90 documents detailing how national parks plan to address climate change have been removed from the National Park Service's website, according to a report from the Environmental Data and Governance Initiative. The bulk of the removals happened in early December and users must now request copies of the climate action plans by email. Among the documents axed were those detailing what "parks are doing to respond to climate change and move park operations in a more sustainable direction" at such landmarks as Glacier, Everglades, Joshua Tree and Grand Canyon national parks.

**THAT CARBON MAY BE CAPTURED, BUT DON'T LET IT GO:** The carbon capture tax credit expansion in the tax extender bill released Wednesday won bipartisan praise, but some Democratic senators are concerned about a separate provision in the bill to reduce monitoring requirements on carbon once it's in the ground. One Senate Democratic aide said the provisions, which would relieve oil companies from tracking CO2 leakage once they use it, could serve "as a poison pill for many Democrats in the coalition of cosponsors, and an aide to another Democratic senator said, "the language is a non-starter." Whether the monitoring issue is enough to drive off Democrats who may like the bill's other measures, like tax credits for energy efficient homes and commercial buildings, remains to be seen. "There are members on the D side, particularly, who think that if you are getting a tax credit for something you ought to demonstrate that you're doing what you ought to be doing to get the credits," said Kurt Waltzer, managing director of the Clean Air Task Force. "I think people take that seriously."

**SCIENTISTS SUE:** A coalition of doctors, scientists and other groups filed a lawsuit Thursday asking a court to throw out Pruitt's directive barring anyone receiving agency grants from serving on its various advisory panels. They argue Pruitt's action violates federal ethics rules and is arbitrarily biased toward individuals with industry ties. "There are already procedures in place to avoid a potential conflict-of-interest among advisory board members, which makes this latest effort seem to be more about stacking the board with members who will support the new administration's deregulatory agenda," Robyn Wilson, one of the professors booted off the Science Advisory Board, said in a statement.

**BISHOP WANTS CONGRESSIONAL SCRUTINY OF PARK FEES:** Interior should not be able to unilaterally raise admission fees for national parks and should come to Congress annually to seek approval, Bishop told reporters Thursday. "Agencies should not be able to raise park fees independently, but I also have legislation to do away with all park fees so it's got to be somewhere in the middle of that," he said. "I'm insisting they have to have approval by us."

**Democrats oppose Zinke's plan:** That comes as 11 Natural Resources Democrats sent Zinke a letter Thursday opposing his plan to hike the fees at 17 national parks, which they said is "at

odds" with Interior's mission to improve access to public lands. Link [here](#).

**WHEELER-ING AND DEALING:** Dropping Kathleen Hartnett White's nomination to run the White House Council on Environmental Quality would "help" the Senate advance Andrew Wheeler's selection for EPA deputy, top Senate EPW Democrat [Tom Carper](#) told ME. "I'm interested in seeing what happens to Ms. White and I think if the administration wants to continue to push hard on that nomination, I think it makes progress on Andy Wheeler more difficult," he said. Many in the Democratic caucus are concerned with Wheeler's nomination as well, though Carper wouldn't say if he'd oppose the former EPW aide himself.

**GOP TO PRUITT: WHAT'D YOU DO:** Three senior Energy and Commerce Republicans aren't pleased with Pruitt's [top 21 list of priority Superfund sites](#) and want details on how he crafted it. "Members specifically asked you about the list, and despite many of the sites included being of particular concern to Committee Members, we did not receive any indication from you that these sites would be included," [Greg Walden](#), [Fred Upton](#) and [John Shimkus](#) said in a [letter](#). They also asked what Pruitt means by his pledge to have "direct engagement" on each of the sites.

**NRDC HITS COMSTOCK:** The Natural Resources Defense Council is launching a six-figure ad campaign within the Beltway media market over the holidays to hit Virginia Republican Rep. [Barbara Comstock](#) for her vote in favor of the tax bill that included a provision opening ANWR to drilling. Watch the ad [here](#).

**SWAPPED:** The U.S. Court of Appeals for the Ninth Circuit said Thursday it would swap Obama appointee Judge Michelle Friedland for now-resigned Judge Alex Kozinski in the case of children seeking dramatic government action against greenhouse gas emissions. Remember Kozinski participated in oral arguments where the panel [seemed skeptical](#) of stopping the lawsuit at this point.

**TAKING THE NEXT STEP:** Pebble Limited Partnership today plans to kick off the permitting process for its controversial proposed gold and copper mine in Alaska by submitting an application with the Army Corps of Engineers, your ME host [reports](#). That'll kick off the review under the National Environmental Policy Act. But look for opponents of the project, including green groups and salmon fisherman, to continue to vigorously contest it.

**WAIT AND SEE ON TCE?** The majority of industrial entities are waiting to see whether EPA ever follows through on its proposed ban of the cleaning solvent trichloroethylene rather than phasing out its use immediately, according to [a report](#) from Safer Chemicals Healthy Families released Thursday. EPA has moved to indefinitely delay the proposed ban on certain uses of TCE.

**MOVER, SHAKER:** Catherine McCabe, who briefly ran EPA after President Barack Obama left office but before Pruitt's confirmation, will be named commissioner of the New Jersey Department of Environmental Protection, POLITICO New Jersey's Ryan Hutchins [reports](#). She'll have the task of restoring morale to the department and honoring Gov.-elect Phil Murphy's pledge to rejoin the Regional Greenhouse Gas Initiative within 100 days of assuming office.

They'll also be working to undo what they see as years of deleterious actions under Gov. Chris Christie. "New Jersey's environmental leadership has been severely eroded," Murphy said.

**Anna Aurilio** leaves her post as director of Environment America's Washington office on Jan. 1. "I've been honored to help shape a growing movement to tackle the climate crisis and shift towards a 100% renewable energy future," she writes, adding she'll take a couple of months to plot her next move.

## QUICK HITS

- Future Warming Could Worsen Europe's Refugee Crisis. [National Geographic](#).
- U.S. launches effort to reduce reliance on imports of critical minerals. [Reuters](#).
- Shell, Seeking to Curb Its Carbon Footprint, Buys Electricity Provider. [New York Times](#).
- Pentagon's new defense strategy won't mention climate change. [The Hill](#).
- Shell and Eni will face the "biggest corporate bribery trial" over a \$1.1 billion Nigerian oil deal. [Quartz](#).
- Debate over new head of EPA's Great Lakes office. [WOSU](#).

## HAPPENING TODAY

\*crickets\*

## THAT'S ALL FOR ME!

**\*\* A message from the Renewable Fuels Association:** The Renewable Fuel Standard, **helping to enhance U.S. energy security**, was signed into law ten years ago this week. Net petroleum dependence was 25% in 2016, but would have been 33% without the addition of 15.3 billion gallons of ethanol to the fuel supply. Looked at another way, 2016 ethanol production displaced an amount of gasoline refined from 540 million barrels of crude oil. Learn more at <http://www.ethanolrfa.org/wp-content/uploads/2017/12/RFS2-Ten-Years.pdf>. #thankyouRFS \*\*

*To view online:*

<https://www.politicopro.com/newsletters/morning-energy/2017/12/disaster-relief-pushed-even-as-government-stays-open-060869>

## Stories from POLITICO Pro

**Congress clears funding bill, staving off shutdown** [Back](#)

By Rachael Bade, John Bresnahan and Seung Min Kim | 12/20/2017 09:52 PM EDT

Congress passed a short-term government funding bill Thursday, ensuring that Washington will not face a shutdown just days before Christmas.

The House passed the measure, which would keep federal agencies open through Jan. 19, on a 231-188 vote. The Senate cleared it 66-32 soon after, giving congressional leaders and President Donald Trump another month to hash out a long-term spending deal for the remainder of fiscal 2018.

Lawmakers staved off a last-minute revolt from Democrats who threatened to vote against any funding measure if it didn't include legal protections for young undocumented immigrants who are losing work permits after Trump rescinded an Obama-era executive action. But the contentious issue is sure to return in January when the next round of spending talks resume.

"The Republican continuing resolution serves only to continue the anxiety in the lives of DREAMers, veterans, children and working families across America," said House Minority Leader Nancy Pelosi (D-Calif.). "It had been our hope not only to improve the quality of this bill but to add the DREAM Act to it, which enjoys strong bipartisan support from the American people."

The Congressional Hispanic Caucus met with Senate Minority Leader Chuck Schumer in an impromptu meeting earlier Thursday afternoon, pressing the New York Democrat to persuade his ranks to reject the funding bill. However, it was clear after the meeting that there would not be enough Democratic senators to block the bill later Thursday over immigration.

"Basically, Leader Schumer promised he'd urge the majority of senators to vote no, as many as possible," Rep. Darren Soto (D-Fla.) said. "And if we can't get it done now, we will lay it all on the line on the 19th when we come back in January."

The short-term funding bill also extends a federal surveillance program, includes money to continue the Children's Health Insurance Program through March and waives automatic cuts to Medicare and other programs, which were threatened because of the GOP tax bill's big deficit increase. The Senate voted to waive the automatic cuts 91-8 on Thursday.

The House also passed a massive \$81 billion disaster aid package Thursday, after dozens of Democrats from states hit by hurricanes and wildfires backed the measure. Pelosi had signaled that members who have districts affected by disasters would not be asked to oppose the measure.

During a private meeting Thursday morning, Speaker Paul Ryan and his team secured support for the government funding bill from almost all Texas and Florida GOP lawmakers who represent areas pummeled by deadly hurricanes this summer. These lawmakers had told party leaders they didn't want to adjourn without passing the disaster aid package.

But the Senate had already signaled that it likely wouldn't approve the disaster aid bill this week due to Democratic opposition to the proposal, which was crafted by the GOP-led House Appropriations Committee.

"I don't think we have enough time to vote on disaster aid," Senate Majority Whip John Cornyn (R-Texas) said. The package now looks likely to languish for weeks.

That left House GOP leaders wondering whether the powerful state delegations would band together and withhold their votes for government funding until the Senate changed course. It turned out, they wouldn't for fear it would cause a shutdown.

"My key issue is to make sure my agriculture community back home is heard," said Florida Republican Dennis Ross. "I can't control what the Senate is going to do, but I can control what I said I was going to do, and getting that supplemental passed is crucial."

Leadership also got some backup from President Donald Trump, who encouraged GOP lawmakers to support the continuing resolution.

"House Democrats want a SHUTDOWN for the holidays in order to distract from the very popular, just passed, Tax Cuts. House Republicans, don't let this happen. Pass the C.R. TODAY and keep our Government OPEN!" Trump tweeted Thursday morning.

With House Democrats united against a short-term spending plan that doesn't include their top priorities, Ryan had to rely on his divided conference to carry the bill over the finish line. GOP defense hawks and conservatives alike spent the previous 24 hours criticizing leadership's plan. But Republican leaders had been whipping votes since then and felt confident Thursday afternoon that they could secure the needed 217 Republican votes for passage.

"We're working through some final issues, but... we're going to pass our bills," said House Majority Whip Steve Scalise on Thursday morning, zipping past reporters on the way out of a meeting with the Texas and Florida lawmakers.

The fate of the disaster relief supplemental was initially less certain in the House, as GOP leaders knew they would not find 217 Republican votes for passage. They started reaching out to Democrats for help, with hope that Democrats from Texas and Florida will back the package.

On Wednesday night, House GOP leaders made changes to the hurricane relief bill in hopes of winning Democratic votes. The tweaks to the bill addressed the concerns of Democrats that Puerto Rico was not receiving sufficient help to recover from Hurricane Maria. They also offered to insert a provision stabilizing Medicaid programs in Puerto Rico and the U.S. Virgin Islands, and suggested they could make additional tweaks to the bill.

The last-minute shuffle for votes shows just how difficult it is for Ryan to corral his fractured conference, even just hours after his biggest win as speaker. Hill Republicans celebrated passage of their most significant legislative achievement, tax reform, at the White House on Wednesday afternoon — only to return to the Hill to spar over thorny spending issues. Even though GOP leaders passed the funding bill Thursday, the House Republican conference remains frustrated by how the year-end scramble was handled. Those tensions were on full display during a Wednesday evening conference meeting, as Pentagon allies stood up and railed against Ryan's plan to fund the government until Jan. 19 without a full-year boost for the

Pentagon.

House Armed Services Committee GOP members, including Austin Scott of Georgia, Liz Cheney of Wyoming and Mike Turner of Ohio, reminded leaders that they endorsed a yearlong military boost just two weeks ago and criticized their sudden change of course.

GOP leaders responded by telling the conference that there were not 217 votes to pass the original plan, which increased defense spending but left domestic funds flat. Texas and Florida Republicans whipped against the idea when it did not include their own hurricane funding. Then, when leaders added the provision, some conservatives flipped from yes to no because it was not paid for.

Ryan also told the conference that Defense Secretary James Mattis had given his blessing to a short-term funding plan. Rep. Ann Wagner of Missouri, who has a son in the military, also grew emotional when she argued that the House needed to pass a straight continuing resolution for the men and women in uniform.

Some House Freedom Caucus conservatives, meanwhile, balked at GOP leadership's plan to temporarily reauthorize the government's surveillance authority as part of the spending patch. Conservative sources suggested Wednesday, however, that the issue had been ironed out enough that some members could back the spending bill.

*Sarah Ferris and Jennifer Scholtes contributed to this report.*

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**Pruitt bars EPA grant recipients from advisory positions** [Back](#)

By Emily Holden | 10/31/2017 03:06 PM EDT

EPA Administrator Scott Pruitt officially announced today he will bar scientists who receive agency grants from serving on EPA advisory boards, a move he said was designed to preserve the EPA's scientific integrity.

Pruitt's move will force some current scientific advisers to either give up funding or resign their board positions. Other open seats on the Science Advisory Board and Clean Air Scientific Advisory Committee are being filled by employees of fossil fuel and chemicals industries or red state environmental offices, according to an unconfirmed [list](#) of new appointees. The changes also affect the Board of Scientific Counselors, EPA said in a press release.

Pruitt announced new chairs of the three boards but said he will make other new members public in the next week.



Michael Honeycutt, of the Texas Commission on Environmental Quality, will head SAB, while Tony Cox, a statistician from Cox Associates, will head CASAC, which is required by law to suggest air quality limits based on science. Paul Gilman, chief sustainability officer at Covanta and a former EPA official under President George W. Bush, will head the BOSC.

Current members who may lose their spots say the changes are meant to stack the boards with industry-financed individuals who support Pruitt's deregulatory efforts. John Walke, senior attorney and clean air director for the Natural Resources Defense Council said the biggest credential Cox has is "a very, very public record of testifying against public air quality standards."

Pruitt said that current members of the committees received \$77 million from EPA grants.

The announcement came with a [memo](#) and draft [directive](#).

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## **EPA announces 21 Superfund sites to prioritize [Back](#)**

By Emily Holden | 12/08/2017 04:13 PM EDT

EPA has named 21 Superfund sites on its [priority list](#) for cleanup.

The list follows [recommendations](#) from a task force convened this summer. Administrator Scott Pruitt had previously said he would make a top-10 list of sites that needed the most attention.

"The list is designed to spur action at sites where opportunities exist to act quickly and comprehensively," EPA said in a press release. "The Administrator will receive regular updates on each of these sites."

There are more than 1,300 of the toxic waste sites around the country, and environmental advocates have [warned](#) that prioritizing just a few may take resources away from others and allow Pruitt to provide resources in states run by his political allies.

The new list includes sites in red states but also in New England and on the West Coast. It includes the San Jacinto Superfund site in the Houston area, which was damaged by flooding during Hurricane Harvey. EPA has already ordered two companies to pay \$115 million for cleanup efforts there.

*To view online [click here](#).*

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## **Judges appear skeptical of stopping kids' climate lawsuit early** [Back](#)

By Alex Guillén | 12/11/2017 02:51 PM EDT

Two appellate judges today hinted they believe a lawsuit brought by children seeking dramatic government action against greenhouse gas emissions should be allowed to continue, even as they raised significant questions about whether the suit can succeed.

The 9th Circuit Court of Appeals heard arguments today after the Trump administration asked it to take the unusual step of blocking the matter from reaching a trial phase. The Trump administration says the children do not have standing to bring the lawsuit.

But two of the 9th Circuit judges expressed skepticism at the unprecedented step of getting involved at this stage.

Judge Marsha Berzon, a Clinton appointee, said the suit is troublingly broad, but acknowledged that lawsuits are often narrowed at trial. "I would hope if this case did go forward that it would be pared down and focused and directed at particular orders or agencies," said Berzon.

Chief Judge Sidney Thomas, another Clinton appointee, said stopping the case now would mean the court would be "flooded" with similar requests for all kinds of suits.

Meanwhile, Judge Alex Kozinski, a Reagan appointee, appeared skeptical of the case's future, opining about what would happen if the Trump administration defied a court order to act and questioning the children's standing to sue.

Thomas also raised concerns about whether the children can plausibly seek relief over such a complex issue. Their attorney argued that courts have ordered the government to take wide-ranging action before, as with school desegregation.

**WHAT'S NEXT:** If the 9th Circuit lets the suit move forward, discovery will resume and a new trial date will be set, likely for sometime next year.

*To view online [click here](#).*

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## **Company behind Pebble Mine to start permitting process Friday** [Back](#)

By Anthony Adragna | 12/21/2017 04:15 PM EDT

Pebble Limited Partnership announced it would kick off the permitting process for its controversial proposed gold and copper mine in Alaska with an application to the U.S. Army Corps of Engineers on Friday.

It's a significant step forward for the Pebble Mine project, which was left on life support when then-President Barack Obama's administration restricted certain waters from being used as mining disposal sites back in 2014. The application Friday begins the review process under the National Environmental Policy Act.

"We have listened to our stakeholders, supporters, and skeptics, and are presenting a much smaller mine with enhanced environmental safeguards," Pebble CEO Tom Collier said in a statement.

Opponents of the mine, which include salmon fishermen and environmental advocates, vowed to continue their fight against its construction.

"Our scientists will review the documents closely and we will demand close public scrutiny," Chris Wood, CEO of Trout Unlimited, said in a statement. "But the science is already clear that mining the Pebble deposit will cause irreparable damage to the nation's most significant salmon fishery."

**WHAT'S NEXT:** The permit application is expected to be filed with the Army Corps of Engineers on Friday.

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